

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 26 February 2016 (Week 35)

The AWEX EMI finished at 1268¢, 17¢ lower (-1.3%) in Australian currency and 9¢ lower (-1.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

46,943 bales were on offer nationally, compared with 40,868 bales last sale. 12.3% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 35)									
Centre	Last Sale		Day-to-Day Changes (Week 35)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	34	1285	No Sale	-13	-4	-17 (-1.3%)	1268	-9	0
Northern	34	1313	No Sale	-16	-28	-44 (-3.4%)	1269	-28	-18
Southern	34	1266	No Sale	-11	-6	-17 (-1.3%)	1249	-10	-1
Western	34	1355	No Sale	-14	-17	-31 (-2.3%)	1324	-20	-9

The Market eased this week, after the solid start to the second half during January and much of February. The EMI closed 3¢ above its pre-Christmas closing level in A\$ and 1¢ above its pre-Christmas level in US currency.

Prices eased across all wool types and micron ranges on Wednesday; and again on Thursday, with the exception of crossbred wools whose AWEX Micron Price Guides moved up slightly on Thursday.

Overall, Merino average MPGs were least affected at the fine end, while MPGs fell by 1.6% to 2.3% for the average Merino MPGs from 18.0 to 22 microns. Crossbred average MPGs were down, with the greatest falls again at the coarse end. Merino skirtings followed the fleece types. Oddments were generally down of Wednesday, but showed some recovery on Thursday. The average Merino Cardings Price Guide was down by 2¢ to close at 1112¢

The US exchange rate moved up earlier in the week, before coming under pressure on Wednesday and Thursday. It finished 0.20¢ (0.3%) higher to close at 71.75¢ on Thursday.

Buyers for China were dominant, with support from buyers for India, Europe and Korea

Differences in AWEX MPGs	18.5 and 22.0	18.0 and 22.0	17.5 and 22.0	17.0 and 22.0	16.5 and 22.0
North	106¢	143¢	179¢	210¢	221¢
South	87¢	115¢	141¢	171¢	No 16.5µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 31	Start of the Season	Week 35 Last Year	Season Average to Week 35 Last Year
Eastern Market Indicator	-12 (-0.9%)	+42 (+3.4%)	+180 (+16.5%)	+204 (+19.5%)
Western Market Indicator	-27 (-2.0%)	+71 (+5.7%)	+207 (+18.5%)	+211 (+19.5%)

Sale-to-Sale Changes in Average AWEX Merino Micron Price Guides (MPGs)												
Micron	16.5	17.0	17.5	18.0	18.5	19.0	19.5	20.0	21.0	22.0	23.0	24.0
<b>Since Last Sale</b>												
Change ¢	+3	-15	-19	-36	-31	-27	-22	-25	-22	-24	-8	
Change %	+0.2%	-1.0%	-1.2%	-2.3%	-2.1%	-1.9%	-1.6%	-1.8%	-1.6%	-1.7%	-0.6%	
<b>Since Start of the Season</b>												
Change ¢	+63	+73	+62	+70	+76	+71	+64	+67	+69	+80	+94	
Change %	+4.1%	+4.9%	+4.2%	+4.9%	+5.5%	+5.3%	+4.8%	+5.1%	+5.3%	+6.2%	+7.4%	
<b>Since Same Week Last Year</b>												
Change ¢	+240	+231	+214	+201	+209	+208	+208	+207	+209	+207	+218	
Change %	+17.9%	+17.4%	+16.3%	+15.5%	+16.9%	+17.3%	+17.6%	+17.7%	+18.0%	+17.9%	+19.0%	

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>
<b>Since Last Sale</b>						
Change ¢	+7	-8	-6	-17	-12	-2
Change %	+0.7%	-0.8%	-0.7%	-2.3%	-1.9%	-0.2%
<b>Since Start of the Season</b>						
Change ¢	-50	-94	-65	-80	-47	+80
Change %	-4.5%	-8.9%	-7.3%	-10.1%	-7.1%	+7.8%
<b>Since Same Week Last Year</b>						
Change ¢	+71	+74	+13	-69	-76	+203
Change %	+7.1%	+8.3%	+1.6%	-8.8%	-11.0%	+22.3%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 26 February 2016 (Week 35)

The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the December ABS export data.

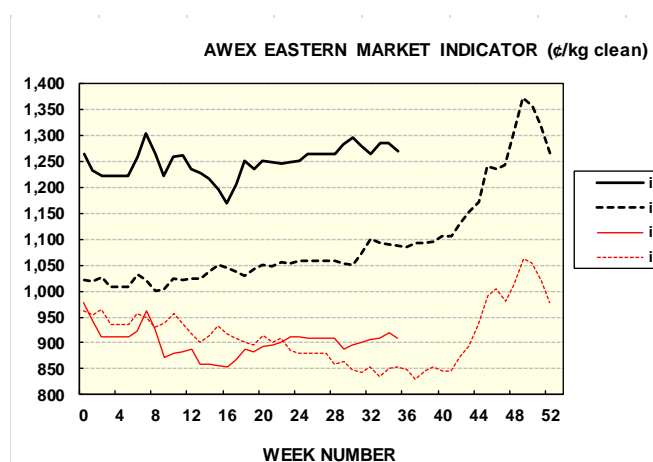
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	12,293	12,539	5.7%	2.0%	4.3%	11,823
South	18,605	23,008	13.9%	1.5%	5.2%	19,805
West	9,970	11,396	16.2%	1.5%	6.5%	9,549
<b>Australia</b>	<b>40,868</b>	<b>46,943</b>	<b>12.3%</b>	<b>1.6%</b>	<b>5.3%</b>	<b>41,177</b>

Actual and % Changes in the Progressive Offerings from Last Year	
-30,350	-8.2%
-68,963	-10.3%
-9,311	-3.7%
<b>-108,624</b>	<b>-8.4%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 36	Week 37	Week 38	Differences
North	10,600	10,300	10,700	<b>-6.4%</b>
South	22,660	22,598	21,900	<b>+1.3%</b>
West	9,371	9,100	8,900	<b>-5.2%</b>
<b>New Zealand</b>	<b>1,630</b>			
<b>Australia</b>	<b>42,631</b>	<b>41,998</b>	<b>41,500</b>	<b>-2.1%</b>
<b>Differences</b>	<b>+0.3%</b>	<b>-2.2%</b>	<b>-4.5%</b>	

Exchange Rates (Reserve Bank)	Last Sale	Day-to-Day Changes					Sale-to-Sale Change	Closing Value	Season Min & Max	
		Fri	Mon	Tues	Wed	Thur			Min	Max
United States	71.55	-0.48	+0.60	+0.64	-0.50	-0.06	+0.20 (+0.3%)	71.75	69.05	76.49
Euro	64.23	-0.36	+0.64	+0.96	-0.29	-0.14	+0.81 (+1.3%)	65.04	62.2	69.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change in Weight of Wool Exports July - December
	December 2015	July - December This Season	July - December Last Season	
China	76.7%	73.4%	74.3%	-11.2%
India	6.7%	8.1%	7.0%	+5.1%
Italy	4.7%	5.7%	4.9%	+3.8%
Czech Republic	5.0%	5.2%	5.3%	-12.6%
Malaysia	1.7%	1.6%	1.8%	-23.0%
Korea	1.6%	1.6%	2.1%	-29.4%
Taiwan	0.6%	0.9%	1.0%	-17.1%
Egypt	0.7%	1.2%	0.9%	+9.4%
<b>Change all Countries</b>				<b>-10.1%</b>



AVERAGE EMI	
This Year	1249
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,274	149
South	1,232	146
West	1,295	166

THIS YEAR'S EMI	
This Week	1268
First Week	1231
Low (14/03/0)	1,169
High (27/07/0)	1304

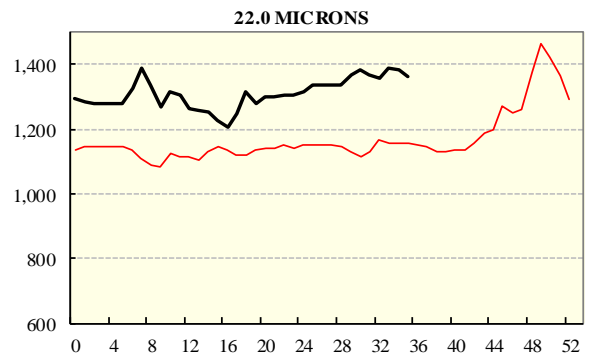
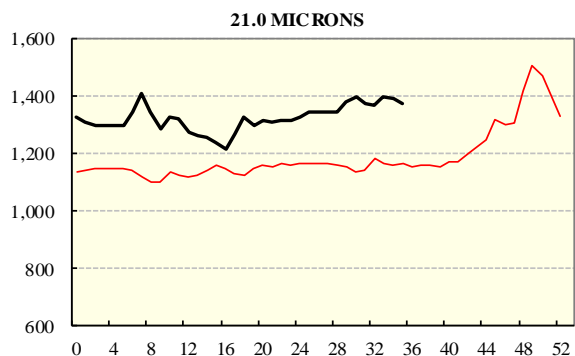
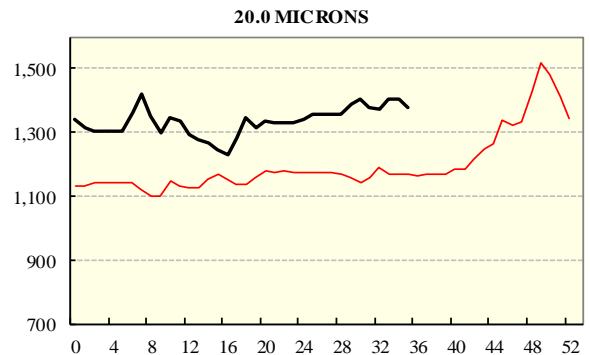
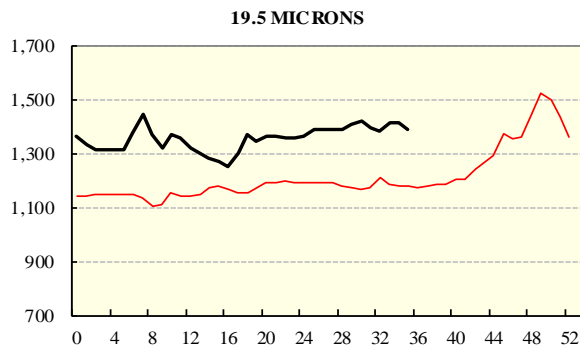
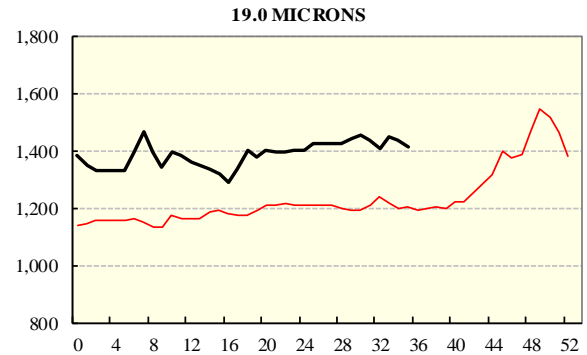
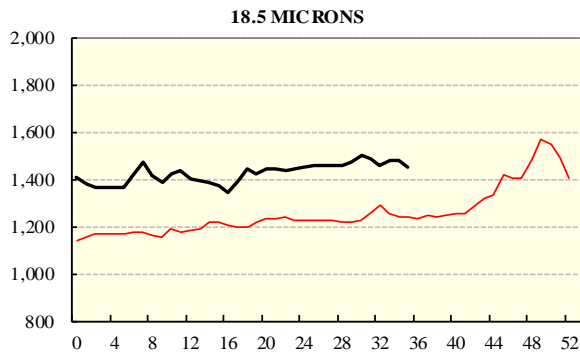
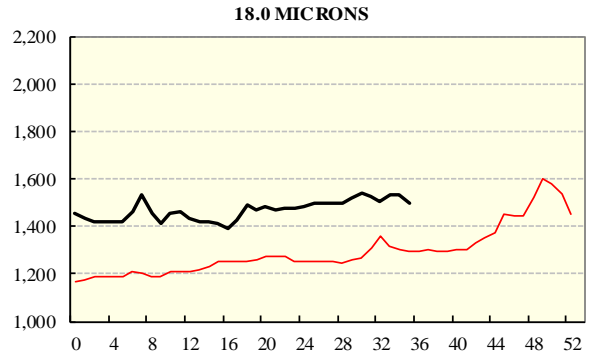
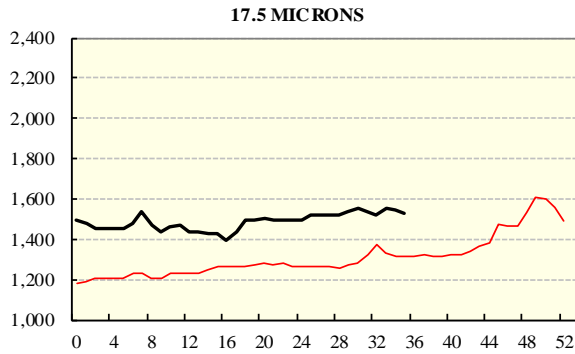
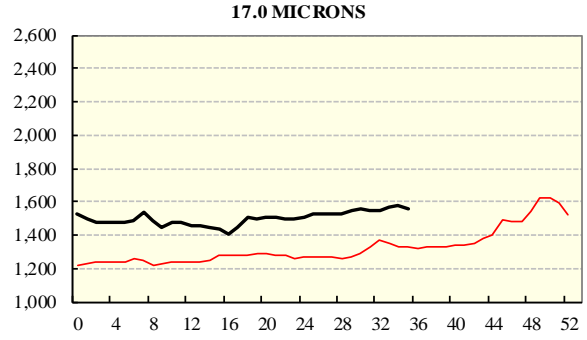
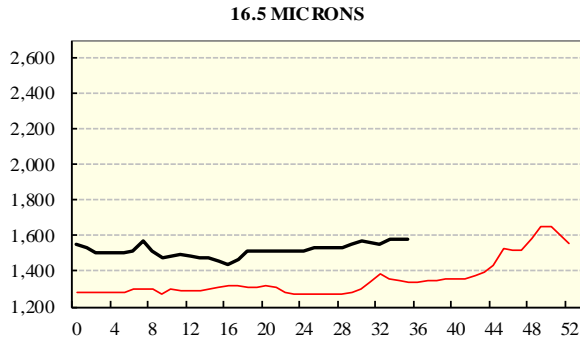
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1269	19
South	1249	30
West (Wk)	1324	73

BALES OFFERED	
This Year	1,185,112
Last Year	1,293,736
Difference	-108,624
% Diff	-8.4%
FIRST OFFERED BALES	
Difference	-6.7%
% of Offering	94.9%

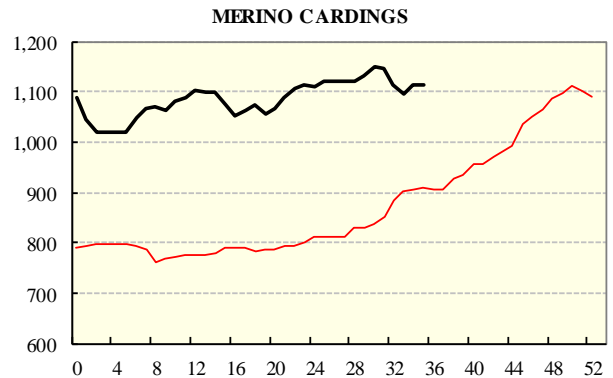
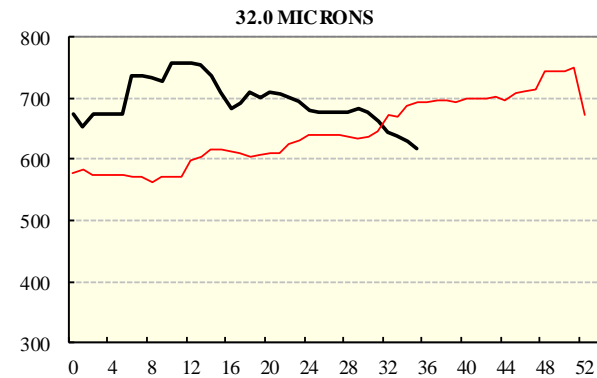
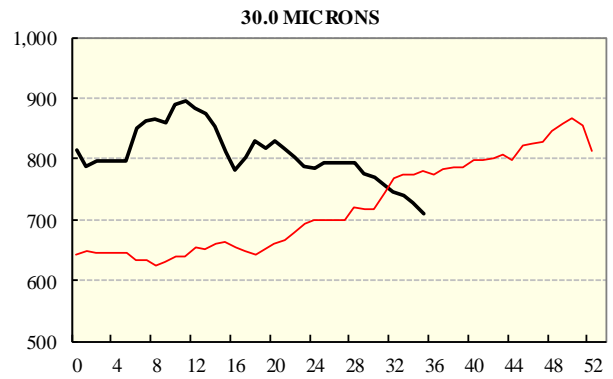
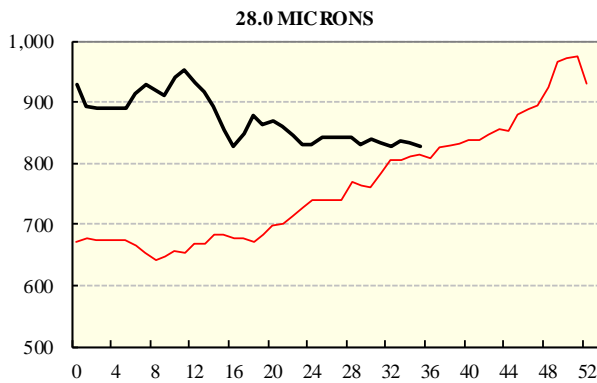
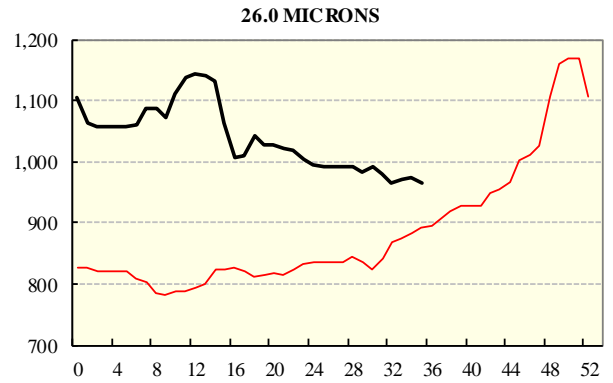
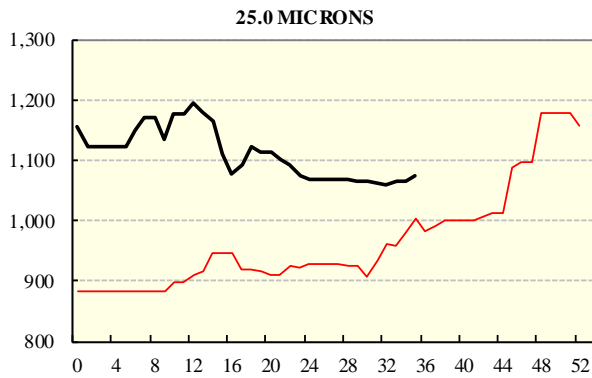
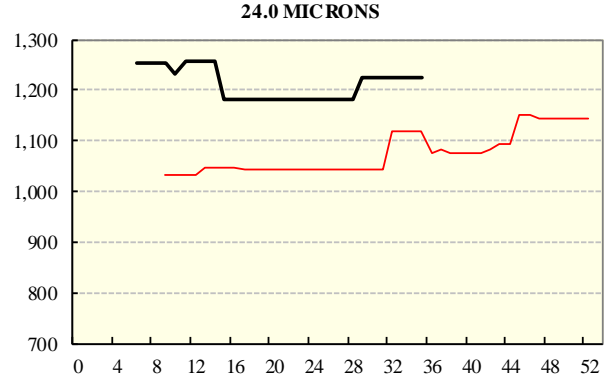
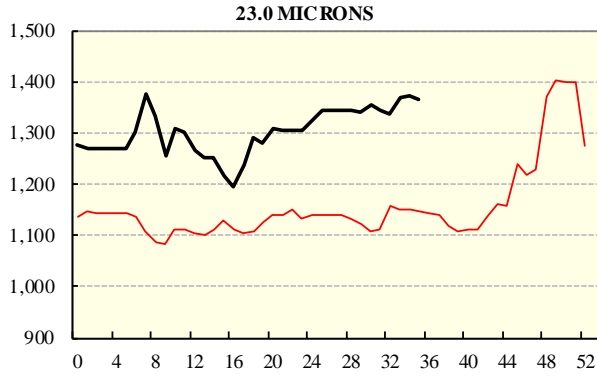
REGION BALES		
This Sale:		
Region	Bales	Diff
North	62	
South	12,539	
West	23,008	
Progressive Totals:		
North	338,457	-8.2%
South	602,393	-10.3%
West	244,262	-3.7%

# AVERAGE AWEX MICRON PRICE GUIDES

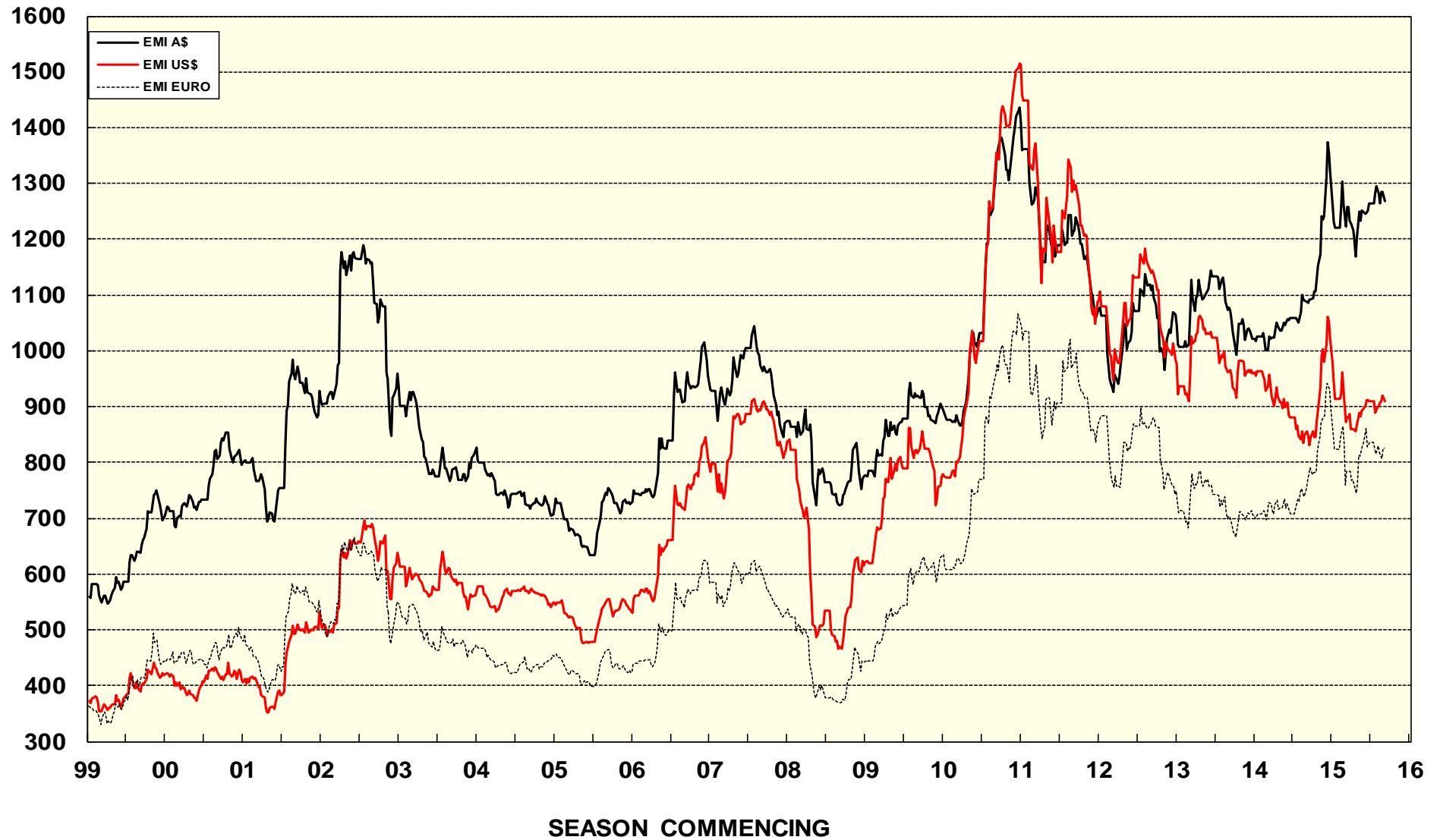
2015/16( black graph line) and 2014/15 (red graph line)



**AVERAGE AWEX MICRON PRICE GUIDES**  
 2015/16( black graph line) and 2014/15 (red graph line)



### EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean) (In Australian, United States and European Currencies)



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